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7 Chapter 7 Trustee

FILED & ENTERED

DEC 12 2017

CLERK U.S. BANKRUPTCY COURT  
Central District of California  
BY Pgarcia DEPUTY CLERK

6 UNITED STATES BANKRUPTCY COURT

7 CENTRAL DISTRICT OF CALIFORNIA

8 SAN FERNANDO VALLEY DIVISION

9 In re ) Case No. 1:17-bk-11761-MB  
10 JOSEPH LAWRENCE AND ) Chapter 7  
11 CHANDIE YAWN LAWRENCE, )  
12 Debtors. ) ORDER AUTHORIZING TRUSTEE  
13 ) TO SELL PERSONAL PROPERTY  
14 ) FREE AND CLEAR OF LIENS AND  
15 ) INTERESTS  
16 ) [refer to docket entry nos. 48, 52]  
17 ) DATE: December 6, 2017  
18 ) TIME: 11:00 a.m.  
19 ) CTRM: 303

20 The hearing (the "Hearing") on the Motion for Order Authorizing Trustee to Sell  
21 Personal Property Free and Clear of Liens, Subject to Overbid (the "Sale Motion") filed by  
22 Chapter 7 Trustee Nancy Hoffmeier Zamora ("Trustee") of the bankruptcy estate (the  
23 "Estate") of debtors Joseph Lawrence and Chandie Yawn Lawrence ("Debtors") in the  
24 above-entitled bankruptcy case (the "Case") was held on December 6, 2017, the  
25 Honorable Martin Barash, United States Bankruptcy Judge, presiding. The Sale Motion is  
26 filed as docket no. 48 as corrected by the errata filed as docket no. 52 in the Case.

27 Trustee appeared as movant. Other appearances were made as noted on the  
28 record at the Hearing.

Having read and considered the Sale Motion including the memorandum of points  
and authorities; declaration in support thereof and exhibits(s) [docket no. 48], the notice of

1 the Sale Motion [docket no. 49], the notice of sale of estate property [docket no. 50], the  
2 Notice of Errata for Notice of Motion and Motion for Order Authorizing Trustee to Sell  
3 Personal Property Free and Clear of Liens, Subject to Overbid [docket no. 52], the  
4 Amended Notice of Sale of Estate Property [docket no. 53], and such other documents as  
5 are filed in the Case; no opposition to the Sale Motion having been filed, notice of the  
6 Hearing and of the Sale Motion having been proper; and good cause appearing therefor,  
7 the Court hereby finds, as a matter of fact, and concludes, as a matter of law, that:

8 1. This Court has jurisdiction pursuant to 28 U.S.C. §§157 and 1334 to approve  
9 the sale of the personal property (the "Personal Property") that is the subject of the Sale  
10 Motion, free and clear of all liens, encumbrances, claims and interests, and to authorize  
11 Trustee on behalf of the Estate in the Case to enter into and perform in accordance with  
12 that certain Asset Purchase Agreement (the "Agreement") dated as of November 1, 2017  
13 (the "Execution Date") between Trustee and Structured Asset Sales, LLC ("SAS") as  
14 modified by this Order based on the amount of the highest bid of \$56,000.000 (the "Highest  
15 Bid") made by SAS at the Hearing. The Sale Motion is a core proceeding pursuant to 28  
16 U.S.C. §§157 and 1334(b)(2)(A), (N) and (O). The statutory predicates for the relief  
17 requested in the Sale Motion are 11 U.S.C. §§105 and 363 and Federal Rules of  
18 Bankruptcy Procedure ("Bankruptcy Rules") 2002, 6004, and 9014.

19 2. There are no objections to the Sale Motion.

20 3. The Personal Property consists of certain nonexempt personal property  
21 assets of the Estate consisting of all of the Estate's right, title and interest as of the petition  
22 date of July 1, 2017 in the Case (the "Petition Date"), in perpetuity, in:

23 a. Debtor Joseph Lawrence's ("Joey") music catalogue, all of Joey's musical  
24 compositions, songs, lyrics, and works written in whole or in part by Joey, all musical  
25 compositions performed in whole or in part by Joey, musical productions, recordings,  
26 intellectual property, trade names, copyrights, publishing rights, co-publishing rights,  
27 writer's share of publishing income, income from artist(s), performance society and society  
28 income of any kind, rights to receive license income, mechanical income, performance

1 income, artist income, producer income, synchronization income, sheet folio income, digital  
2 income, electronic income, payments and income from all known and future media created,  
3 and payments of any kind from any and all sources worldwide including any publisher,  
4 subpublisher, record company and/or administrator, any and all contract rights, audit rights,  
5 all records and other documents in any form in possession or under control of Trustee  
6 relating to payments and/or income and/or rights of any kind (collectively, the "Music  
7 Payments") and for which Trustee has not received payments for the Estate as of the  
8 Execution Date;

9 b. All of Joey's right, title and interest in and to all of the residual payments for  
10 television and movie performances that Joey completed as of the Petition Date and for  
11 which Trustee has not received payments for the Estate (collectively, the "Residuals"); and

12 c. Veritas, Inc. including, but not limited to, contract rights, stock interests, bank  
13 accounts, and all Residuals and Music Payments to be paid to Veritas, Inc. and for which  
14 Trustee has not received payments for the Estate as of the Execution Date (the "Veritas  
15 Assets").

16 4. The Personal Property excludes all payments received by Trustee prior to the  
17 Execution Date.

18 5. As set forth in the declarations of service filed with this Court in connection  
19 with the Sale Motion, notice of the hearing on the Sale Motion was duly served on (a)  
20 Debtors and Debtors' counsel, (b) all creditors and interested parties, (c) each entity known  
21 by Trustee to assert a lien, encumbrance, or other interest in, or claim to, the Personal  
22 Property to be affected by this Order, and (d) the Office of the United States Trustee, all in  
23 accordance with Bankruptcy Rules 2002(a)(2), 2002(c)(1), 2002(i), 2002(k), 6004(a), and  
24 6004(c).

25 6. The Notice complied in all respects with the requirements of the Bankruptcy  
26 Code and the Bankruptcy Rules, fully and adequately described the relief requested in the  
27 Sale Motion and set forth the means by which the Sale Motion, and all supporting  
28 declarations and pleadings could be obtained promptly by a party in interest; provided fair

1 and reasonable notice under the circumstances of this Case with respect to the deadlines  
2 and procedures for objecting to the relief requested in the Sale Motion, and set forth the  
3 date, time, and place for the hearing on the Sale Motion.

4 7. Trustee has engaged in fair and reasonable marketing, advertising and other  
5 sale efforts and procedures in connection with the sale of the Personal Property, which  
6 efforts and procedures have enabled the Estate to obtain a fair and reasonable price for  
7 the Personal Property under the circumstances of this Case. In connection with the  
8 proposed sale, Trustee has complied with all sale procedures established or required by  
9 this Court.

10 8. The highest and best offer to purchase the Personal Property was the  
11 Highest Bid in the amount of \$56,000.00 received from SAS to purchase the Personal  
12 Property on the terms and conditions set forth in the Agreement and in the Sale Motion.  
13 Trustee is in receipt of and has deposited into the Estate bank account the entire amount  
14 of the Highest Bid tendered by SAS after the Hearing.

15 11. SAS is unrelated to Debtor and Trustee. The Agreement was negotiated,  
16 proposed, and entered into by the parties without collusion, in good faith, and from arm's  
17 length bargaining positions. Neither Trustee nor SAS has engaged in any conduct that  
18 would cause or permit the Agreement, or the transactions contemplated thereby, to be  
19 invalidated or avoided under 11 U.S.C. §363(n). Accordingly, upon consummation of the  
20 sale transaction contemplated by the Agreement and the Sale Motion, SAS will be a buyer  
21 in "good faith" within the meaning of 11 U.S.C. §363(m), and, as such, is entitled to the  
22 protections afforded thereby.

23 12. The terms and conditions of the sale transaction as provided for in the  
24 Agreement and the Sale Motion are fair and reasonable; entry into the Agreement on  
25 behalf of the Estate is a sound exercise of Trustee's reasonable business judgment, and  
26 the sale transaction contemplated by the Agreement is in the best interests of creditors and  
27 the Estate.

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1           Based on the record in the Case, the findings of fact and conclusions of law set forth  
2 above and stated on the record pursuant to Bankruptcy Rules 9014 and 7052, and good  
3 cause appearing therefor,

4           **IT IS HEREBY ADJUDGED AND ORDERED** that:

5           A.       The Sale Motion is approved in its entirety and granted as set forth herein;

6           B.       The terms, conditions, and transactions contemplated by the Agreement are  
7 hereby approved in all respects, and Trustee is hereby authorized under 11  
8 U.S.C. §§105(a) and 363(b), (c), (f) and (m) to sell the Personal Property on an  
9 "as-is, where-is" basis, with no representations or warranties regarding the  
10 Personal Property, and with no contingencies, free and clear of all liens, claims,  
11 encumbrances, and interests to SAS on the terms and conditions set forth in the  
12 Agreement and the Sale Motion as modified by the Highest Bid;

13           C.       Trustee is hereby authorized, empowered, and directed to (1) perform under,  
14 consummate, and implement the Agreement, (2) execute all additional  
15 instruments and documents that may be reasonably necessary or desirable to  
16 implement the Agreement and the transactions contemplated thereby and to  
17 sell, assign, transfer, and convey the Personal Property to SAS for the Highest  
18 Bid, (3) take all further actions as may be necessary or appropriate for the  
19 purposes of assigning, transferring, granting, or conveying the Personal Property  
20 as contemplated by the Agreement and the Sale Motion, and (4) take such other  
21 and further steps as are contemplated by the Agreement and the Sale Motion or  
22 reasonably required to fulfill Trustee's obligations under the Agreement and the  
23 Sale Motion, without further order of the Court;

24           D.       The sale of the Personal Property shall be free and clear of the ownership  
25 interests of Debtors and their respective predecessors and successors in  
26 interest; any equitable or legal interests in the Personal Property asserted by any  
27 person or entity, or his/her/its respective predecessors and successors in  
28 interest; the claims or interests asserted by any person or entity, or his/her/its

respective predecessors or successors in interest, against the Estate which do not constitute valid and perfected liens against or interest in the Personal Property; and the claims or interests asserted by any person or entity, or his/her/its respective predecessors or successors in interest.

E. Trustee is the duly appointed Trustee for the Estate, the Personal Property is property of the Estate pursuant to 11 U.S.C. §541, and pursuant to federal law and this Order, Trustee is the sole person authorized to sell the Personal Property, Trustee (alone) has the power to and is specifically authorized by this Court to execute, on behalf of the Estate, any and all documents necessary to sell, transfer, assign, and convey the Personal Property to SAS, including, but not limited, to the Agreement, bill(s) of sale, and various assignments, and that no signatures are necessary from Debtors;

F. There shall be no liability to Trustee or her professionals, in any capacity, by virtue of the consummation of the sale approved herein or by virtue of the failure of such sale to consummate;

G. The Court shall and hereby does retain jurisdiction to (1) enforce and implement the terms and provisions of the Agreement, all amendments thereto, any waivers and consents thereunder, and any other supplemental documents or agreements executed in connection therewith, (2) compel delivery and payment of the consideration provided for under the Agreement, the Sale Motion and this Order, (3) adjudicate any disputes, controversies, or claims under Title 11 of the United States Code arising out of or relating to the Agreement, the Sale Motion, and the sale approved herein; and (4) interpret, implement and enforce the provisions of this Order;

H. Trustee is authorized to refund to all qualified bidders their respective earnest money deposits, including issuing checks from the Estate bank account as may be required:

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- 1 I. Consistent with the Agreement, Trustee is authorized to issue a check to  
2 SAS for any and all payments received by Trustee after the Execution Date, with  
3 such amount currently \$589.05, but subject to increase;
- 4 J. This order shall be effective immediately upon entry, that the stay of this  
5 order imposed by Federal Rule of Bankruptcy Procedure 6004(h) and any other  
6 applicable bankruptcy rules is waived, and that the effectiveness of this Order  
7 shall not be affected by the 14-day statutory appeal period unless the Court  
8 enters a stay of this Order to sell the Real Property pending appeal;
- 9 K. Pursuant to 11 U.S.C. §363(m) SAS is a "good faith purchaser" and is  
10 entitled to the protections thereof; and, absent a stay of this Order pending  
11 appeal, the reversal or modification on appeal of this Order or any provision  
12 thereof, shall not affect the validity of the sale transaction approved hereby  
13 which is consummated prior to such stay, reversal, or modification on appeal;
- 14 L. The validity of the sale approved hereby shall not be affected by the  
15 appointment of a successor trustee, dismissal of the Case, or conversion of the  
16 Case to another chapter under Title 11 of the United States Code;
- 17 M. The notice of the Hearing, of the Sale Motion, and of the sale is proper and  
18 adequate; and
- 19 N. The terms of this Order shall control to the extent that there exist any  
20 inconsistencies between and among the Sale Motion, the Agreement, and this  
21 Order.

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25 Martin R Barash  
United States Bankruptcy Judge

26 Date: December 12, 2017

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